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C O N F I D E N T I A L BEIJING 002812

DEPARTMENT FOR EAP/K, EAP/CM, INR

E.O. 12958: DECL: 09/30/2029

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SUBJECT: NORTH KOREA: UPDATE ON UNDP AND WORLD FOOD PROGRAM
ACTIVITIES

REF: (A) 07 USUNNEWYORK 172 (B) BEIJING 1843

Classified By: Acting Economics Minister-Counselor Robert W. Forden.
Reasons 1.4 (b) and (d).

Summary

1. (C) The United Nations Development Program (UNDP) is preparing to restart its program in North Korea, a World Food Program (WFP) official in Beijing told Econoffs (the UNDP office here declined to confirm this report), and Chinese officials have, for the first time ever, asked WFP for briefings on its work in the DPRK. WFP has received no external funding for its North Korea program since May 2009 (when the DPRK conducted a nuclear test) but is hopeful that some countries are considering resuming donations. Our WFP contact told us that the UNFPA's recent census, which will be released later in October, will show no significant population change in the DPRK, and noted increased numbers of Chinese in her recent trips to North Korea. End summary.

UNDP Operations to Resume in North Korea?

2. (C) Lena Savelli, WFP's Beijing-based DPRK coordinator, told EconOffs September 25 that the UNDP planned to resume operations in Pyongyang, a process that had been put unofficially on hold since the May 2009 nuclear and missile tests. (Note: EconOff contacted a member of the UNDP office in Beijing, who confirmed that the UNDP had been authorized to return to North Korea, but declined to provide further details, saying he could only pass questions to UNDP headquarters in New York.) Savelli said a UNDP employee had been sent to renovate the old UNDP property in Pyongyang, and that despite the delays, she expected the UNDP to be up and running by 2010, possibly with a new resident coordinator. (Background: The UNDP in early 2007 suspended operations after the DPRK refused to accept a revised country program agreement that would have restricted the use of hard currency in the country -- see ref A.) She noted that the UN currently had only five agencies working in Pyongyang: WFP; UNICEF; WHO; UNFPA; and FAO.

PRC Curious About WFP Work in DPRK

3. (C) Savelli said the Chinese Ministry of Foreign Affairs (MFA) never shares information on the value of Chinese aid sent to North Korea with WFP. Nevertheless, for the first time ever, the MFA in Beijing and the PRC Embassy in Pyongyang had recently invited WFP to brief them on WFP's DPRK programs and in-country findings. Following the

briefing, the PRC Embassy then contacted WFP again to ask for more reports on the DPRK. Savelli also mentioned that she had been asked by Chinese television stations to do several interviews on North Korea this past spring, an extremely rare occurrence. Though not optimistic that this augured greater Chinese openness on Sino-DPRK economic relations, she flagged these as noteworthy developments.

WFP Programs

¶4. (C) Since briefing U.S. officials in July (ref B) on its work within North Korea, WFP had expanded the area it serviced from 57 counties to 62 counties. Otherwise there had been no significant changes in its DPRK program. WFP distributed 3,000-4,000 tons of food a month to 1.7 million people, only 10-18 percent of its program goals, due to lack of funding for more food. Savelli said there was a clear link between the value of WFP's donations and the number of staff the DPRK allowed into the country. The current program would expire in November 2009, but WFP planned to extend the program long enough to use 2009 fall harvest and new census data to inform its next program proposal. She said the WFP planned to shift from its current emergency funding to a protracted relief and recovery program next year, which was in line with the DPRK's preference to not be categorized as a humanitarian crisis zone.

¶5. (C) Savelli said that WFP had not received any donations for its DPRK program since May 2009, but that the UN Office of the Commissioner for Humanitarian Assistance (OCHA)'s Central Emergency Resource Fund (CERF) had allocated USD 9 million from its centralized pool of funds to the UN's DPRK country team, 6 million of which would go to the WFP. She noted that the USD 9 million was the largest single allocation of CERF funds to any country this year. She said that, despite public silence from donor countries after the May nuclear test, she recently had seen an uptick in interest from South Korea, Russia, and Australia, and opined that potential donors would feel that enough time had passed for them to consider resuming donations. Still, WFP had not yet received any funding commitments. Savelli said potential donors, like WFP, were likely waiting to assess the fall harvest before making decisions.

DPRK Population Census

¶6. (C) Savelli pointed out that the DPRK had completed its recent population census with UNFPA's assistance, and that the UNFPA would release its report in October. She said that the basic population count probably would remain at 24 million people. Despite UNFPA's lack of countrywide access, she added, it had received detailed counts from the DPRK government, and the data to date did not show dramatic differences from the last census. She noted that UNFPA thought the census "went well" but she declined to give further details before the census was published.

¶7. (C) Savelli discussed current conditions in the DPRK, noting she had heard rumors that unspecified authorities had shut down one of Pyongyang's largest markets. She was unable to confirm this rumor but noted that when she was in Pyongyang in May 2009, she was able to get "anything she wanted." She said the supply chain from China to North Korea was not smooth, but that she continued to find many imported goods, including Japanese products that were routed through China. Savelli also said she had been traveling to North Korea for five years, and in the last six months had noticed a significant increase in the numbers of Chinese in Pyongyang's hotels and restaurants.